Bulletin to All PPV Insurers

Grid Rating Program Premium
Effective January 1, 2023

Bulletin 07-2022
September 30, 2022

Purpose

The Automobile Insurance Rate Board (AIRB) is issuing this Bulletin to advise all private passenger vehicle insurers operating in Alberta the 2022 review of Grid Rating Program (Grid) base premiums based on data to December 31, 2021 has been completed, and to advise of the Grid base premiums effective January 1, 2023.

Background

Following the Automobile Insurance Premiums Regulation (Regulation), Schedule 3, Section 3(1), the AIRB may adjust the Grid base premiums based on the Annual Review completed under Section 9 of the Regulation no later than October 1 each year. Additionally, on or before October 31 each year, the AIRB must publish a table determining the base premium for a driver by the territory in which they reside and the coverage they choose, following Schedule 3, Section 2 of the Regulation.

Process

The AIRB recognizes the importance and impact of its decisions on Alberta drivers and the insurance industry. We consider several factors when deciding on an adjustment to Grid base premiums. In addition to stakeholder comments and analysis from our consulting actuary, Oliver, Wyman Limited, other factors considered include:

* Premium stability;
* Subsidization by the competitive market, if any;
* Risk sharing pool size and profitability;
* Impact on Grid population;
* Impact of the premium change on Grid; and
* Current Alberta market environment.

Find the AIRB's decision in Order No. 01-2022, which contains tables of base premiums for the Grid. All insurers must implement the updated base premiums effective January 1, 2023.

Action Required

Insurers must send an acknowledgment to the AIRB by December 1, 2022, verifying they have made provisions to comply with Order 01-2022. View the Order on our website.

If you have any questions relating to this Bulletin, please contact the AIRB at (780) 427-5428 or by email at airb@gov.ab.ca.

Laurie Balfour, MBA, CPA, CMA
Executive Director

Grid Base Premiums as of January 1, 2023

Policyholder's Choice of Coverage	Territory		
	Edmonton/ Calgary	Northern Alberta	Other
$200,000	$2,288	$1,553	$1,635
$250,000	$2,369	$1,607	$1,692
$300,000	$2,422	$1,645	$1,730
$400,000	$2,504	$1,698	$1,789
$500,000	$2,558	$1,736	$1,827
$750,000	$2,611	$1,772	$1,866
$1,000,000	$2,692	$1,827	$1,923
$2,000,000	$2,934	$1,991	$2,096